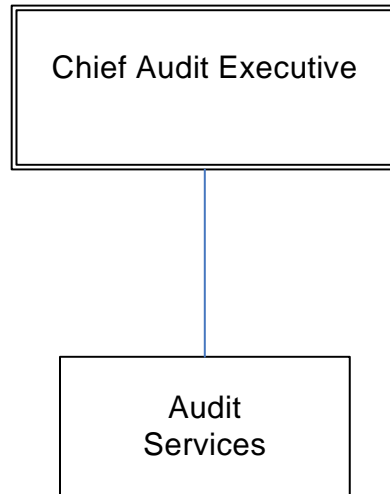




Office of Internal Audit



OFFICE OF INTERNAL AUDIT

Mission

The Office of Internal Audit provides independent, objective assurance and consulting activities that assist both policy makers and program managers in providing high-quality services in a manner that is accountable, efficient, and effective. Internal Audit is an integral part of corporate governance.

Programs and Services

The Office of Internal Audit provides Internal Auditing Services for Metro Louisville Government. This includes 1) Assurance Services reviewing operations, policies, and procedures to ensure that the appropriate control structure is in place and that business risks are considered, 2) Consulting Services for requestors to help address specific issues and concerns, 3) Information Technology Auditing Services to help ensure that electronic information is processed as intended, data integrity is maintained, and the control structure is effective and 4) Integrity Services involving the investigation of allegations of employee misconduct or non-violent criminal acts involving Metro Government resources.

OFFICE OF INTERNAL AUDIT

Goals & Indicators

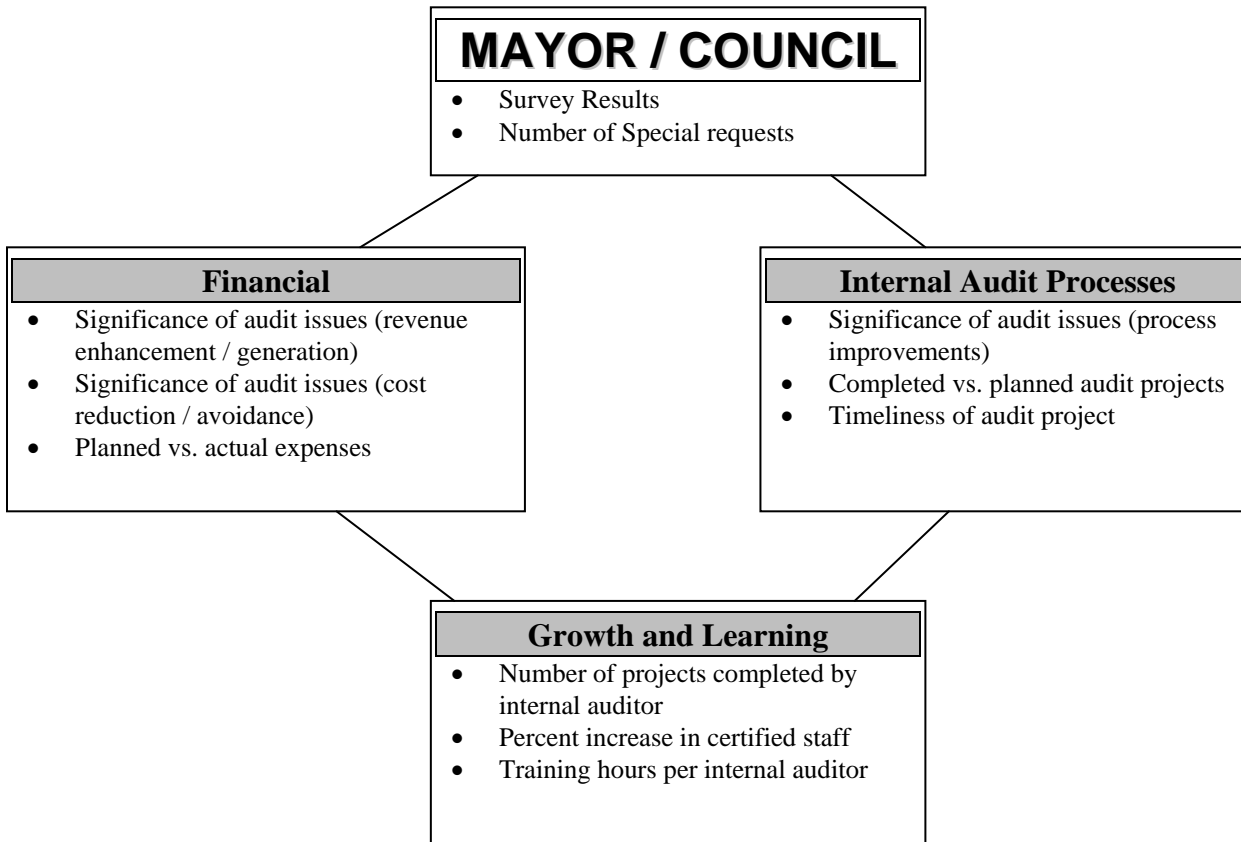
The Office of Internal Audit conducts audits of all Metro departments, agencies, and other appropriations awarded through either contracts or grants to review the systems of internal controls and related financial and operational policies in order to provide reasonable assurance regarding:

- ✓ Accomplishment of business objectives and goals;
- ✓ Effectiveness and efficiency of operations and programs;
- ✓ Reliability of financial information;
- ✓ Compliance with applicable laws and regulations;
- ✓ Safeguarding of assets.

The Louisville Metro Office of Internal Audit focuses activities on an audit plan. The plan is developed using a risk-based methodology that incorporates the COSO framework, which is the model used in the internal audit profession. By using this approach, resources are focused on helping ensure Louisville Metro Government is achieving its objectives.

Balanced Scorecard. Given the limitations of performance measures in internal auditing, the Office of Internal Audit is working on the implementation of a Balanced Scorecard (BSC) framework, the BSC auditing services. As illustrated in the following, the BSC consists of four separate, but equally important, components. The performance measures for each component are also noted.

Balanced Scorecard Framework



It is important to note that the BSC is still being implemented. Several issues with actual performance measure techniques still need to be addressed. Some of these may require additional resources in order to adequately capture the performance data. The Office of Internal Audit will continue working to address the issues and implement the Balanced Scorecard framework to the extent feasible.

Office of Internal Audit**Budget Summary**

	Prior Year Actual 2005-2006	Original Budget 2006-2007	Revised Budget 2006-2007	Mayor's Recommended 2007-2008	Council Approved 2007-2008
General Fund Appropriation	632,600	707,200	707,200	721,700	721,700
Total Revenue:	632,600	707,200	707,200	721,700	721,700
Personal Services	572,900	614,400	614,400	637,400	637,400
Contractual Services	39,300	64,300	62,800	55,200	55,200
Supplies	5,700	5,800	7,300	7,300	7,300
Equipment/Capital Outlay	3,900	4,000	4,000	4,000	4,000
Interdepartment Charges	11,000	18,700	18,700	17,800	17,800
Total Expenditure:	632,800	707,200	707,200	721,700	721,700
Expenditures By Activity					
Office of Internal Audit	632,800	707,200	707,200	721,700	721,700
Total Expenditure:	632,800	707,200	707,200	721,700	721,700

Office of Internal Audit	Position Detail	
	Mayor's Recommended FY2007-2008	Council Approved FY2007-2008
Position Allocation (in Full-Time Equivalents)		
Full-time	8	8
Permanent Part-time	0	0
Seasonal/Other	0	0
Total Positions	8	8

Position Title

Assistant Director	1	1
Director	1	1
Internal Audit Manager	1	1
Internal Auditor II	5	5